



## Missouri Department of Natural Resources Energy Center

### MISSOURI ENERGY BULLETIN

April 8, 2004

Energy prices and supplies shown throughout this bulletin are from Apr. 5, 2004 unless otherwise noted. Also shown are energy data from a month ago, Mar. 1, 2004, and from a year ago, Apr. 7, 2003.

#### Transportation Fuels

**The return of higher gasoline demand, lower gasoline imports and continued low crude oil supplies before the summer driving season are supporting higher gasoline prices. USDOE predicts summer gasoline prices to average \$1.76 per gallon, about \$0.20 per gallon higher than last summer.**

- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last month, increased by 3.3 cents per gallon (2 percent) moving from 160.4 to 163.7 cents per gallon. Throughout this last year, the price paid increased by 21.3 cents per gallon moving from 142.4 to 163.7 cents per gallon, an increase of 15 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last month, increased 6.3 cents per gallon (4 percent) moving from 171.7 to 178.0 cents per gallon. Throughout this last year, the price paid increased by 15.0 cents per gallon, an increase of 9 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last month, increased by 3.6 cents per gallon (2 percent) moving from 153.1 to 156.7 cents per gallon. Throughout this last year, the price paid increased by 10.9 cents per gallon moving from 145.8 to 156.7 cents per gallon, an increase of 7 percent.

#### Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

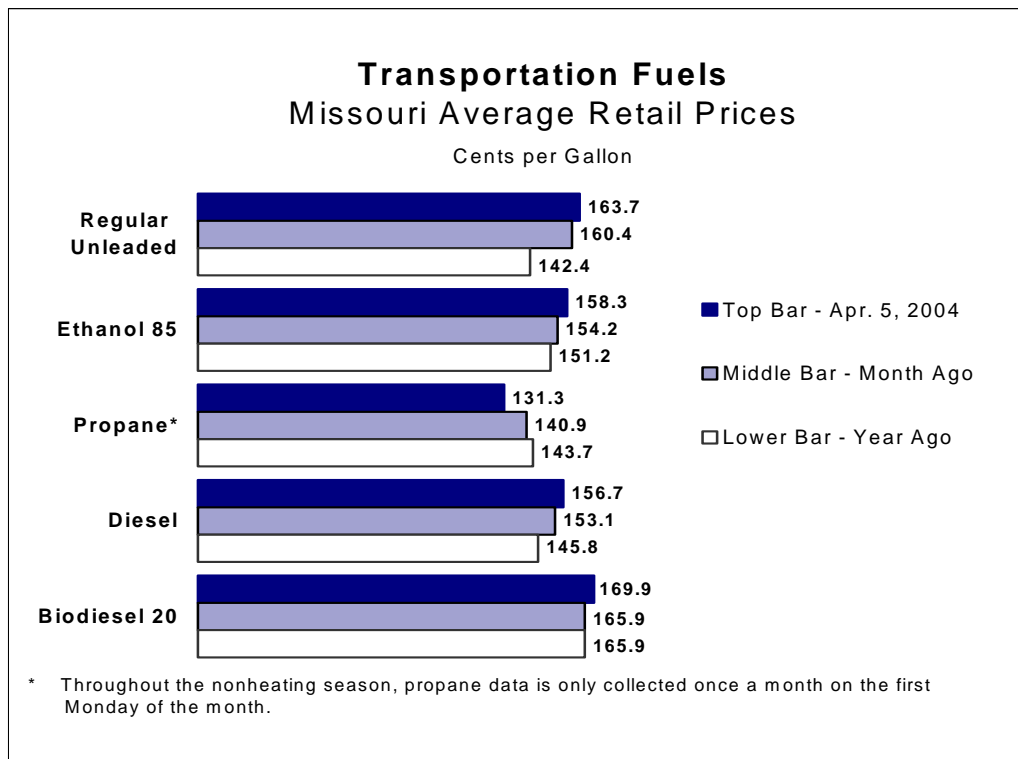
Apr. 5, 2004 Fuel Data in Cents per Gallon

<b>U.S.</b>	<b>178.0</b>
<b>Midwest</b>	<b>173.0</b>
<b>Missouri</b>	<b>163.7</b>
<b>Central, Mo.</b>	<b>163.5</b>
<b>Kansas City, Mo.</b>	<b>161.7</b>
<b>Northeast, Mo.</b>	<b>167.1</b>
<b>Northwest, Mo.</b>	<b>166.9</b>
<b>St. Louis, Mo.</b>	<b>161.4</b>
<b>Southeast, Mo.</b>	<b>168.1</b>
<b>Southwest, Mo.</b>	<b>162.4</b>

- Total motor gasoline stocks in the **Midwest**, throughout this last month (Feb. 27 to Apr. 2) were down by 3.0 million barrels (5 percent) moving from 55.5 to 52.5 million barrels. In the **United States**, stocks were down by 1.9 million barrels moving from 202.0 to 200.1 million barrels, a decrease of 1 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last year (Apr. 4, 2003 to Apr. 2, 2004), were up by 2.4 million barrels (5 percent) moving from 50.1 to 52.5 million barrels. In the **United**

**States**, stocks were down by 2.1 million barrels moving from 202.2 to 200.1 million barrels, a decrease of 1 percent.

- U.S. gasoline supplies dropped 800,000 barrels to 200.1 million barrels. Preliminary data from EIA shows first quarter 2004 gasoline demand reaching an all-time record of nearly 8.8 million barrels per day. Another factor contributing to the rise in gasoline demand this year was the early end to severe winter weather over many areas of the country. To a lesser extent, many consumers may be less sensitive to gasoline prices at these levels, having experienced them off and on again over the last few years.

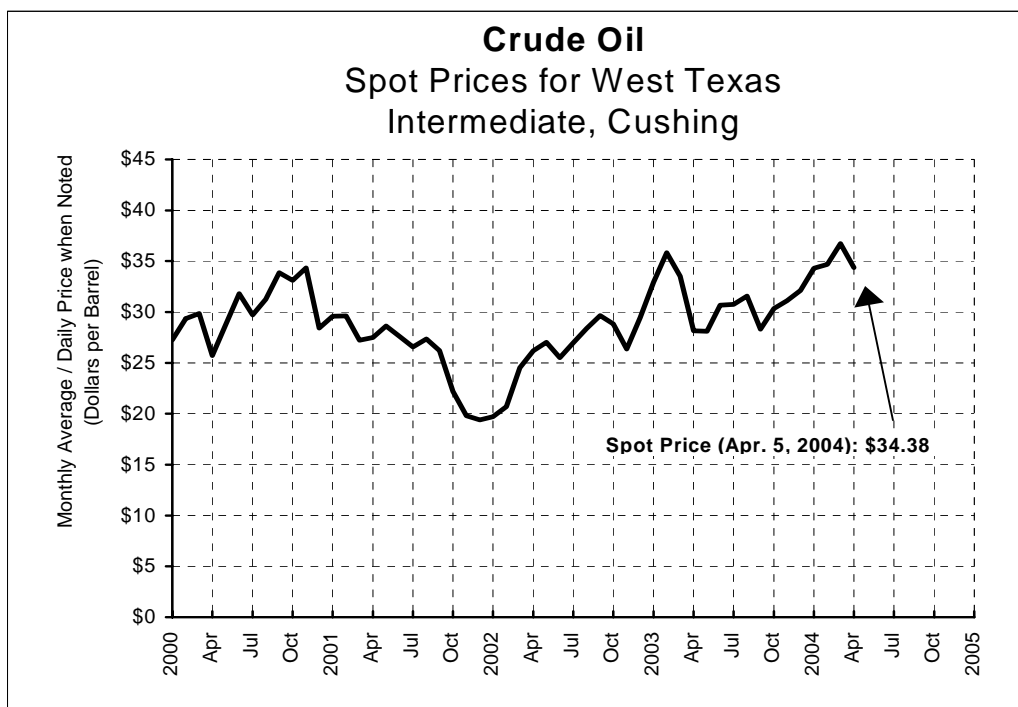


## Crude Oil

**Crude oil futures on the NYMEX fell into the \$34 range from Mar. 22 through Apr. 1 following an increase in U.S. crude supplies – prices rebounded into the \$36 range by April 7 following reports of a strong crude inventory draw.**

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last *month* (Mar. 1 to Apr. 5), decreased by 1.95 dollars per barrel (5 percent) moving from 36.33 to 34.38 dollars per barrel. Throughout this last *year* (Apr. 7, 2003 to Apr. 5, 2004), the spot price increased by 6.40 dollars per barrel moving from 27.98 to 34.38 dollars per barrel, an increase of 23 percent. (Source: *Wall Street Journal*)
- The EIA reports U.S. commercial crude stocks at 292.2 million barrels, a decrease of 2.1 million barrels since the prior week but still 15.1 million barrels higher compared to this time last year.

- Crude prices continue to be strong due to several factors including concerns over OPEC's announcement on Mar. 31 to maintain the proposed production cut of one million b/d beginning Apr. 1, U.S. crude supplies below the 5-year average and very strong demand for gasoline well before the summer driving season at a time when gasoline supplies are low.

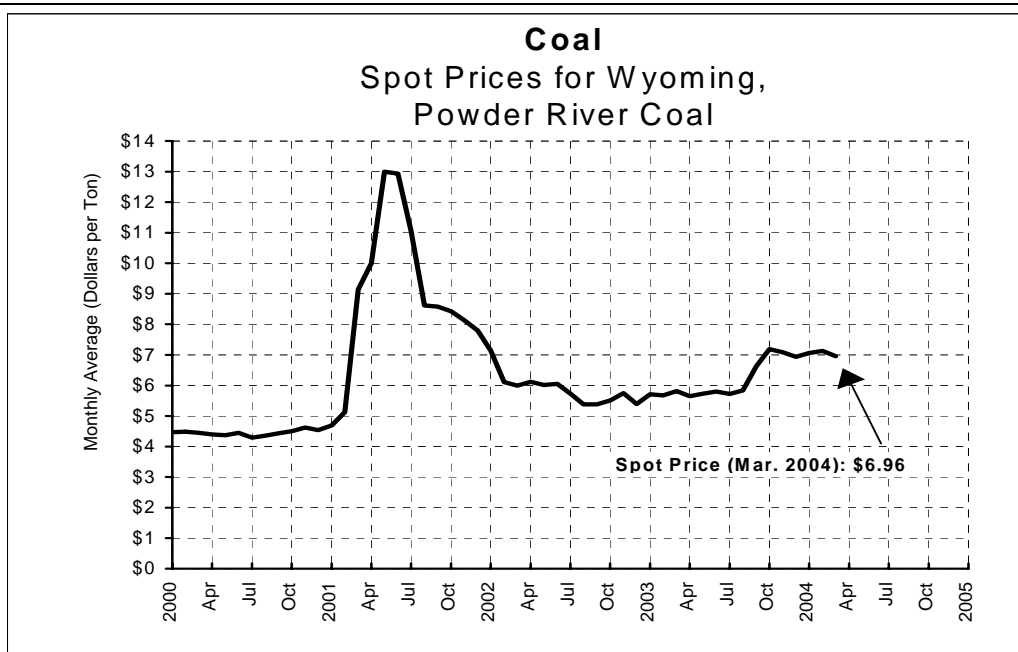


## Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.

### Higher crude prices are having an impact on coal production and transportation prices.

- The monthly average price paid for Wyoming, Powder River coal, throughout this last month (Feb. to Mar.), decreased by 0.17 dollars (2 percent) moving from 7.13 to 6.96 dollars per ton. Throughout this last year (Mar. 2003 to Mar. 2004), the average price paid increased by 1.14 dollars moving from 5.82 to 6.96 dollars per ton, an increase of 20 percent. (Source: *Wyoming Insight*, Mar. 29, 2004)
- Estimated coal production for the week ending Mar. 27 was 21.213 million short tons (mmst). This was 1.9 percent below the comparable week in 2003. Year-to-date U.S. coal production is estimated at 255 mmst, or 0.6 percent ahead of the corresponding total for 2003.
- Powder River Basin (PRB) low-sulfur, low-Btu compliance coal is largely under contract for 2004 and 2005 deliveries; it is used by many Midwestern power plants that switched fuels in the 1990's from higher-sulfur Interior and Appalachian coals. High natural gas prices over the past year shifted demand to coal; high oil prices drive up costs of mining and shipping coal.



## Heating Fuels

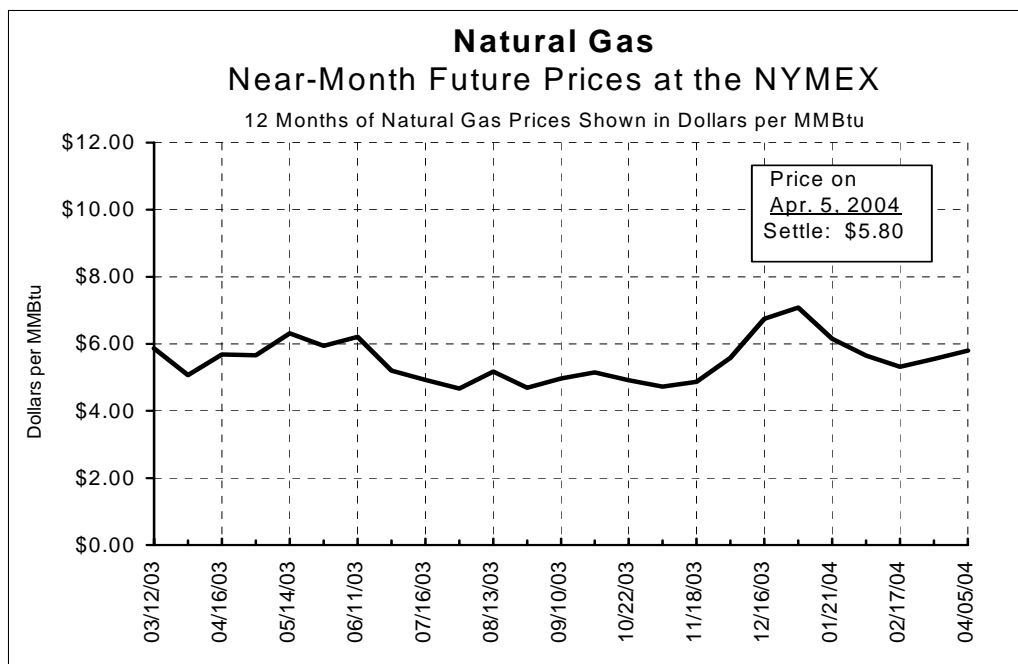
Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

### Natural Gas

**The implied net injection during the report week was 20 Bcf, which marks the first overall net injection recorded in 2004.**

- The spot price for natural gas at the Henry Hub, throughout this last *month* (Mar. 1 to Apr. 5), increased by 0.45 dollars per MMBtu (9 percent) moving from 5.28 to 5.73 dollars per MMBtu. Throughout this last *year* (Apr. 7, 2003 to Apr. 5, 2004), the price paid increased by 0.66 dollars per MMBtu moving from 5.07 to 5.73 dollars per MMBtu, an increase of 13 percent. (Source: *Wall Street Journal*)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last *month* (Mar. 1 to Apr. 5), increased by 0.25 dollars per MMBtu (5 percent) moving from 5.55 to 5.80 dollars per MMBtu. Throughout this last *year* (Apr. 2, 2003 to Apr. 5, 2004), the price paid increased by 0.74 dollars per MMBtu moving from 5.07 to 5.80 dollars per MMBtu, an increase of 15 percent. (Source: *Wall Street Journal*)
- Spot gas prices increased at nearly all market locations in the Lower 48 States since last Wednesday, March 31, climbing up to 59 cents per MMBtu. Factors contributing to the run-up in natural gas prices included a lingering chill in most of the Northeast, Mid-Atlantic and Midwest regions, climbing crude oil prices, and storage injection demand.

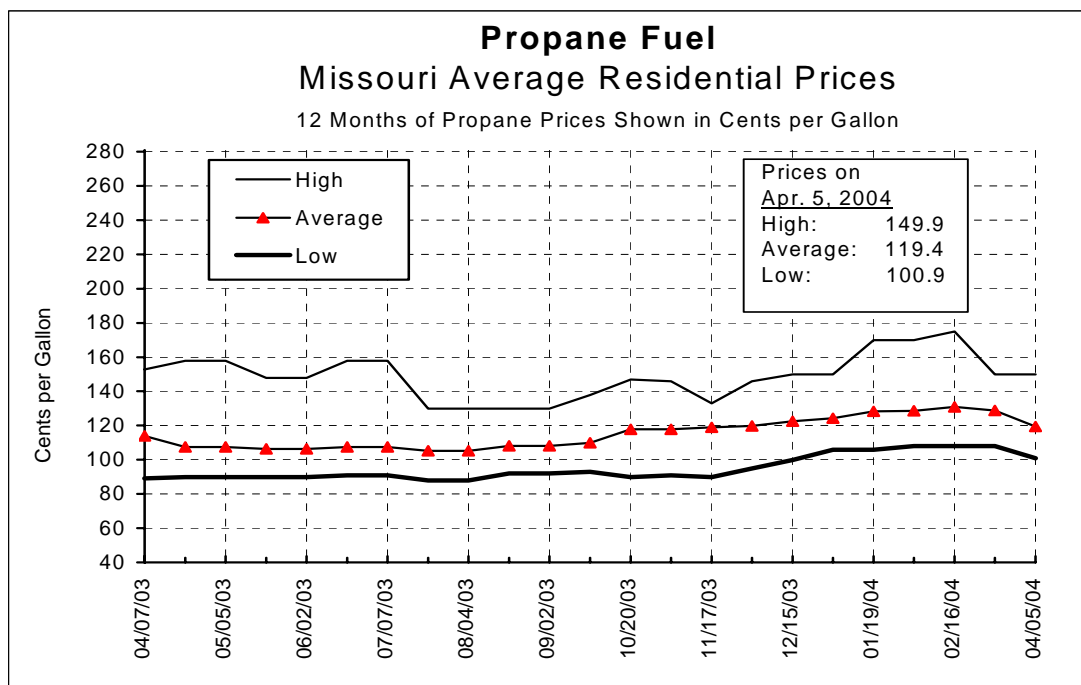
- Working gas in storage was 1,034 Bcf as of Friday, April 2, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is about 6 percent below the 5-year average for the report week and 346 Bcf above the level for the same week last year. The implied net injection during the report week was 20 Bcf, which marks the first overall net injection recorded in 2004. This is a noticeable difference from both the 5-year average withdrawal of 1 Bcf for the week and the withdrawal of 8 Bcf reported for the same week last year. Contributing factors were warmer than normal temperatures and futures prices trading at a significant premium to the Henry Hub spot price during most of the week.



## Propane

**Midwest propane supplies fell slightly due to a lingering cold spell throughout the region.**

- Propane stocks in the **United States**, throughout this last month (Feb. 27 to Apr. 2), were up by 1.4 million barrels moving from 25.9 to 27.3 million barrels, an increase of 5 percent. In the **Midwest**, stocks were down by 0.2 million barrels (2 percent) moving from 10.0 to 9.8 million barrels.
- Propane stocks in the **United States**, throughout this last year (Apr. 4, 2003 to Apr. 2, 2004), were up by 6.2 million barrels (29 percent) moving from 21.1 to 27.3 million barrels. In the **Midwest**, stocks were up by 3.9 million barrels moving from 5.9 to 9.8 million barrels, an increase of 67 percent. Cold temperatures during the winter of 2002-2003 resulted in propane stocks that were significantly lower at the end of the heating season.
- In response to the late season surge in demand for space heating following chilly temperatures felt in some areas of the nation, U.S. supplies fell for the week ending April 2 but are at a level that remains nearly 5.7 million barrels above the end of March 2003 level. Regional inventories continued mixed last week with a 0.4-million-barrel decline in the Midwest. All U.S. regions remain within their respective average supply ranges for this time of year.



### Residential Heating Oil

- Residential heating oil stocks in the **Midwest**, throughout this last month (Feb. 27 to Apr. 2), were down by 0.7 million barrels (10 percent) moving from 6.9 to 6.2 million barrels. In the **United States**, stocks were down by 4.0 million barrels (9 percent) moving from 44.4 to 40.4 million barrels.
- Stocks in the **Midwest**, throughout this last year (Apr. 4, 2003 to Apr. 2, 2004), were down by 1.4 million barrels (18 percent) moving from 7.6 to 6.2 million barrels. In the **United States**, stocks were up by 4.8 million barrels (13 percent) moving from 35.6 to 40.4 million barrels.
- U.S. distillate supplies fell by more than 4.5 million barrels last week placing total U.S. supplies at 105.2 million barrels, 9.1 million barrels above last year's level. Distillate demand surged to 4.5 million b/d from 3.7 million b/d for the previous week. Distillate demand last year at this time was 4 million b/d. Late heating season demand coupled with greater demand by the production and transportation sectors accounted for the increase in demand.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.